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✓ Latest release

Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period June 2023

Released 15/08/2023

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Key statistics

- In June quarter 2023, the seasonally adjusted WPI rose 0.8% for the quarter and 3.6% over the year.
- The private sector rose 0.8% and the public sector rose 0.7%.
- The industries with the most significant contributions to wage growth were Construction (1.3%) and Professional, scientific and technical services (0.7%).

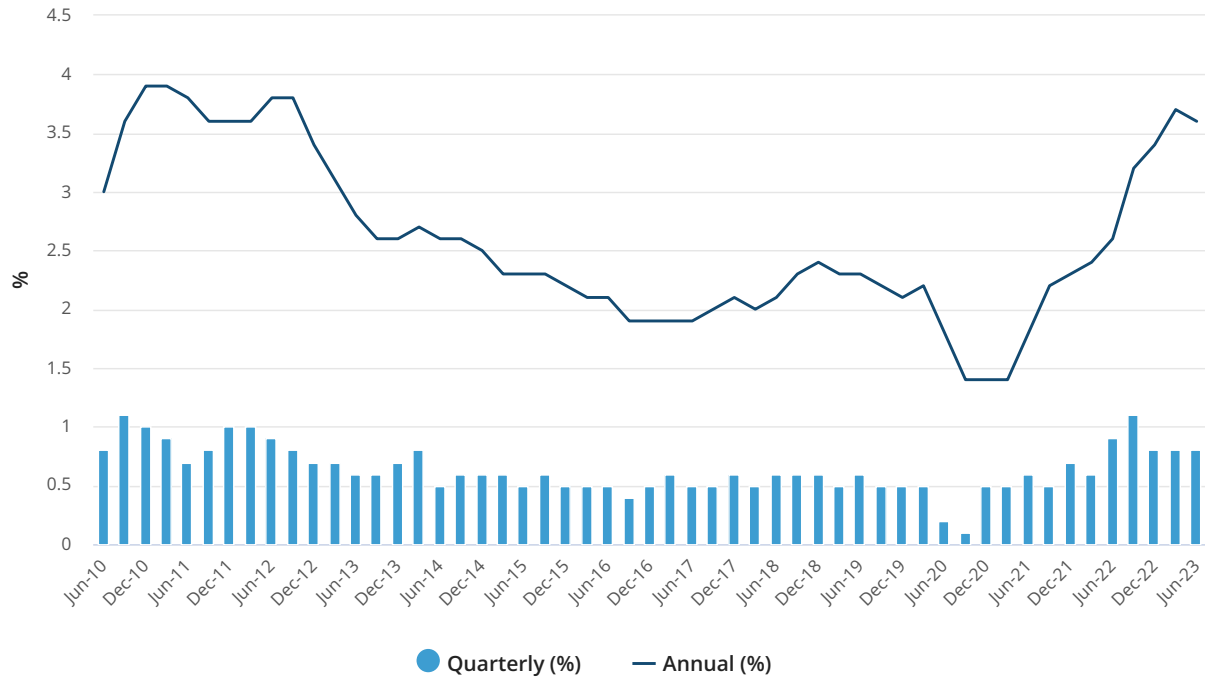
What's new this quarter

This issue includes:

A replacement for the previously published “Contribution of method of setting pay to the Wage Price Index” analytical series. The method used to calculate this series has been updated so that the weight given to each type of pay setting mechanism aligns more closely with the proportion of total wages that each pay setting method represents, as reported in the Survey of Employee Earnings and Hours. This improved alignment means that the estimates for contribution of Awards to wage growth have increased while the contribution of the other pay setting mechanisms has fallen. This change has no impact on the Wage Price Index itself. The new series is included in [Analytical series: Wage growth by method of setting pay \(#analytical-series-wage-growth-by-method-of-setting-pay\)](#).

Main features

All sector WPI, quarterly and annual movement (%), seasonally adjusted (a)



a. See Interpretation of index numbers, Percentage change and rounding on the [Methodology \(/methodologies/wage-price-index-australia-methodology/jun-2023\)](#) page.

Wage Price Index (WPI) Total hourly rates of pay excluding bonuses

	Mar Qtr 2023 to Jun Qtr 2023 % change(a)	Jun Qtr 2022 to Jun Qtr 2023 % change(a)
Trend(b)		
Australia	0.8	3.6
Private sector	0.8	3.7
Public sector	0.8	3.1
Seasonally Adjusted(c)		
Australia	0.8	3.6
Private sector	0.8	3.8
Public sector	0.7	3.1
Original		
Australia	0.6	3.6
Private sector	0.6	3.8
Public sector	0.5	3.1

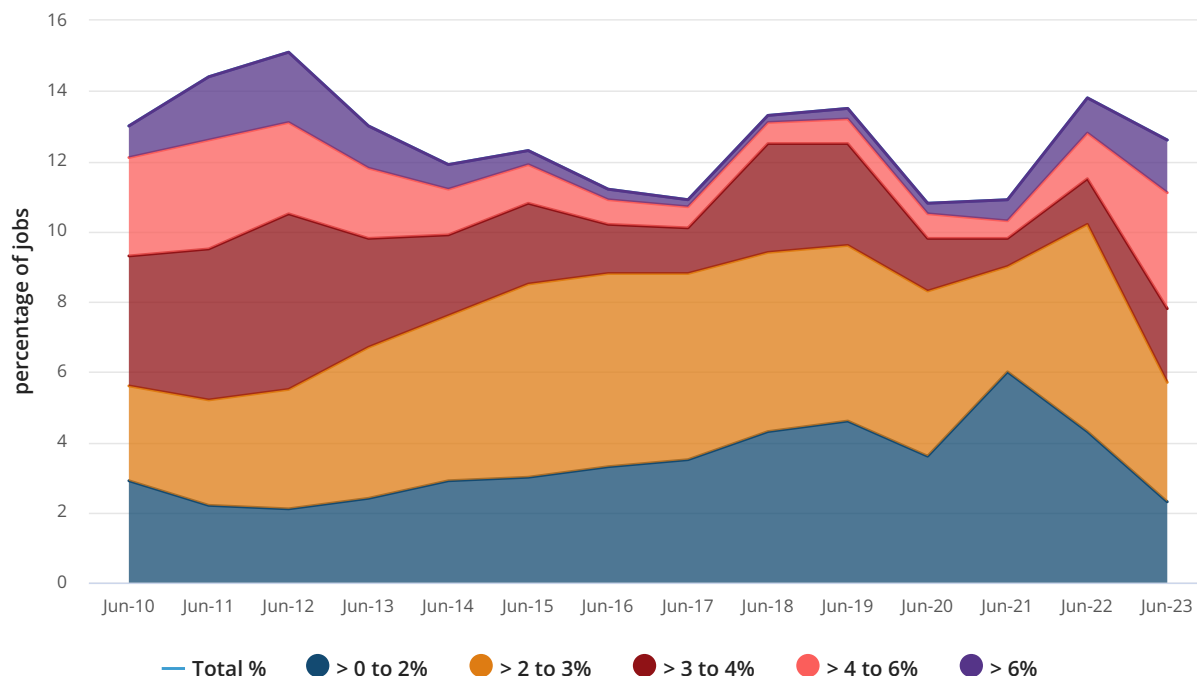
- See Interpretation of index numbers, Percentage change and rounding on the [Methodology \(/methodologies/wage-price-index-australia-methodology/jun-2023\)](#) page.
- See Interpretation of index numbers, Trend estimates on the [Methodology \(/methodologies/wage-price-index-australia-methodology/jun-2023\)](#) page.
- See Interpretation of index numbers, Seasonally adjusted indexes and Seasonal analysis methods on the [Methodology \(/methodologies/wage-price-index-australia-methodology/jun-2023\)](#) page.

Overview

The proportion of jobs receiving a wage rise this quarter was slightly lower than in June quarter 2022. However, for those jobs that received a wage increase, the average increase was larger than last year.

Looking at WPI jobs in June quarters, it was notable that the share of jobs receiving wage rises of between 4 to 6% (3.3%), continued to grow and is now at the highest level since 2009. The share of jobs with wage rises of between 3 to 4% (2.1%) and above 6% (1.5%) also continued to rise. Conversely, the share of jobs with wage rises of 2% or less is at the lowest (2.3%) it has been since June 2012, after peaking at 6.0% of jobs June 2021.

Share of jobs with a wage rise, by size of rise, June quarters (a)



a. Index series is original, total hourly rates of pay excluding bonuses.

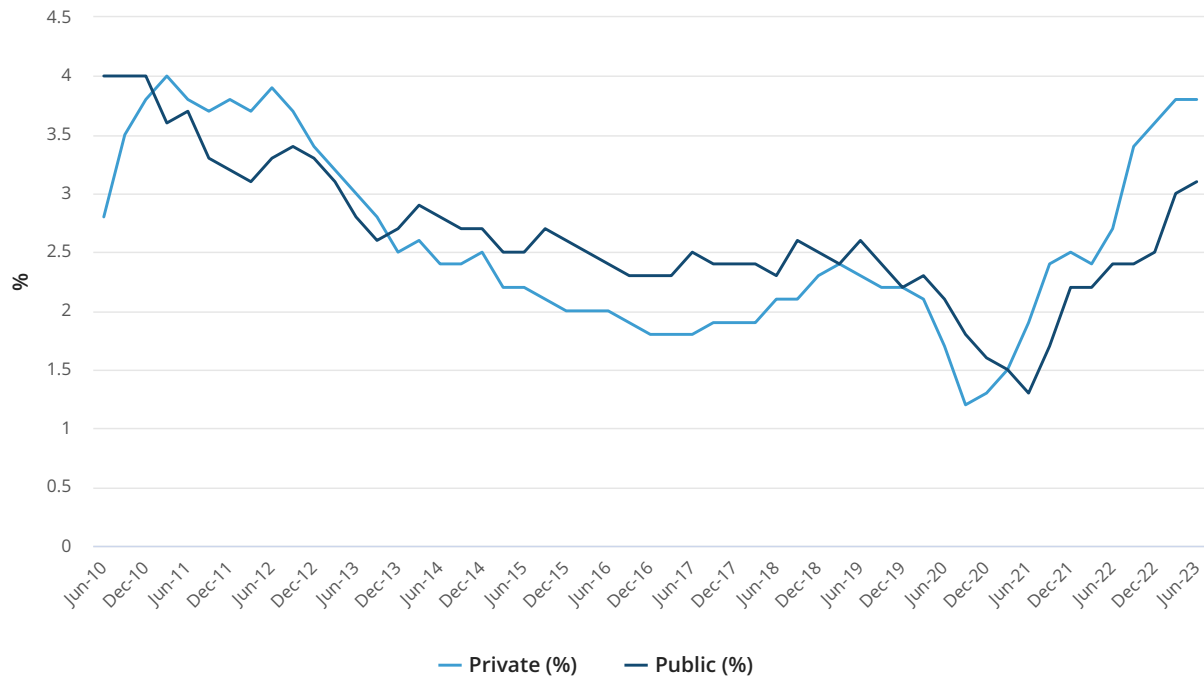
Sector wage growth

Public sector annual wage growth highest in a decade

Seasonally adjusted private sector wages rose 0.8% over the quarter. Annual growth for the sector was 3.8%, in line with March quarter 2023 to remain at the highest level since June quarter 2012.

Public sector wages growth was 0.7% over the quarter. Annual growth increased from 2.9% in the March quarter 2023, to 3.1% in the June quarter 2023. This is the highest annual growth for the sector since March quarter 2013.

Annual wage growth by sector, seasonally adjusted (a)



a. See Interpretation of index numbers, Percentage change and rounding on the [Methodology \(/methodologies/wage-price-index-australia-methodology/jun-2023\)](#) page.

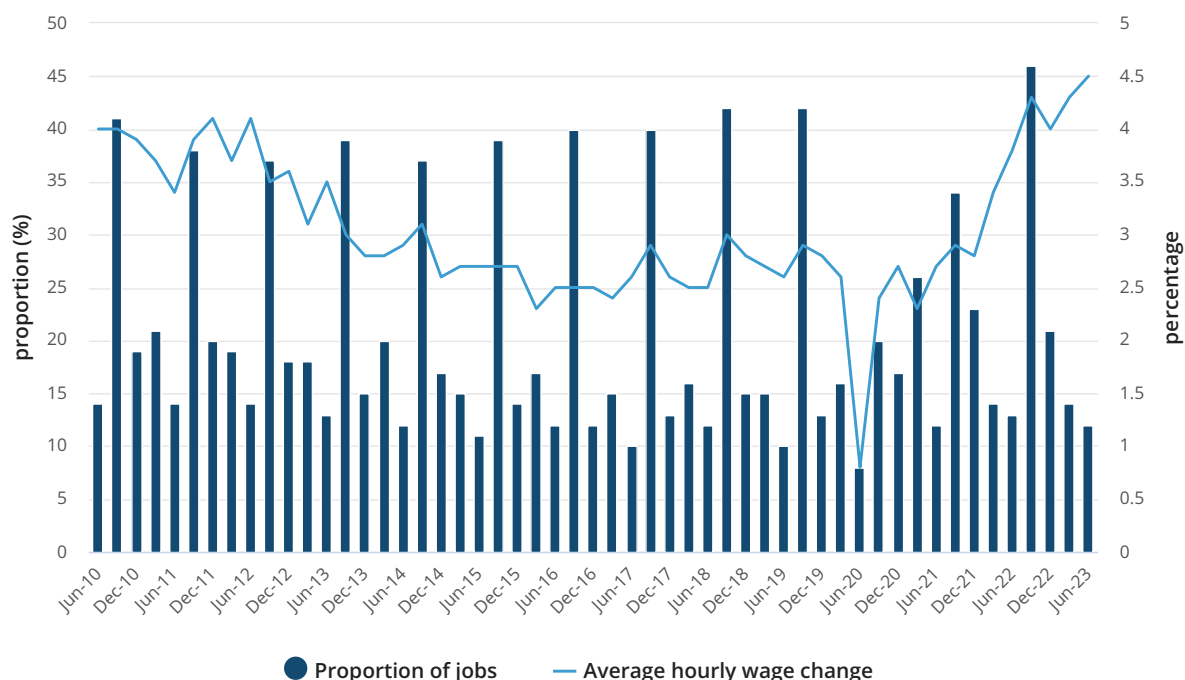
Private sector

The average hourly wage change for private sector jobs recording a wage movement was 4.5%. This was higher than the same period last year (3.8%). The main drivers were;

- jobs paid by individual arrangement that received structured annual salary review increases.
- jobs paid under enterprise agreements that were benchmarked against CPI.

A slightly smaller proportion of jobs recorded a wage movement (12% compared to 14% in June quarter 2022). This was mainly influenced by a lower number of ad hoc increases to attract or retain staff.

Quarterly wage dynamics in the private sector (a)

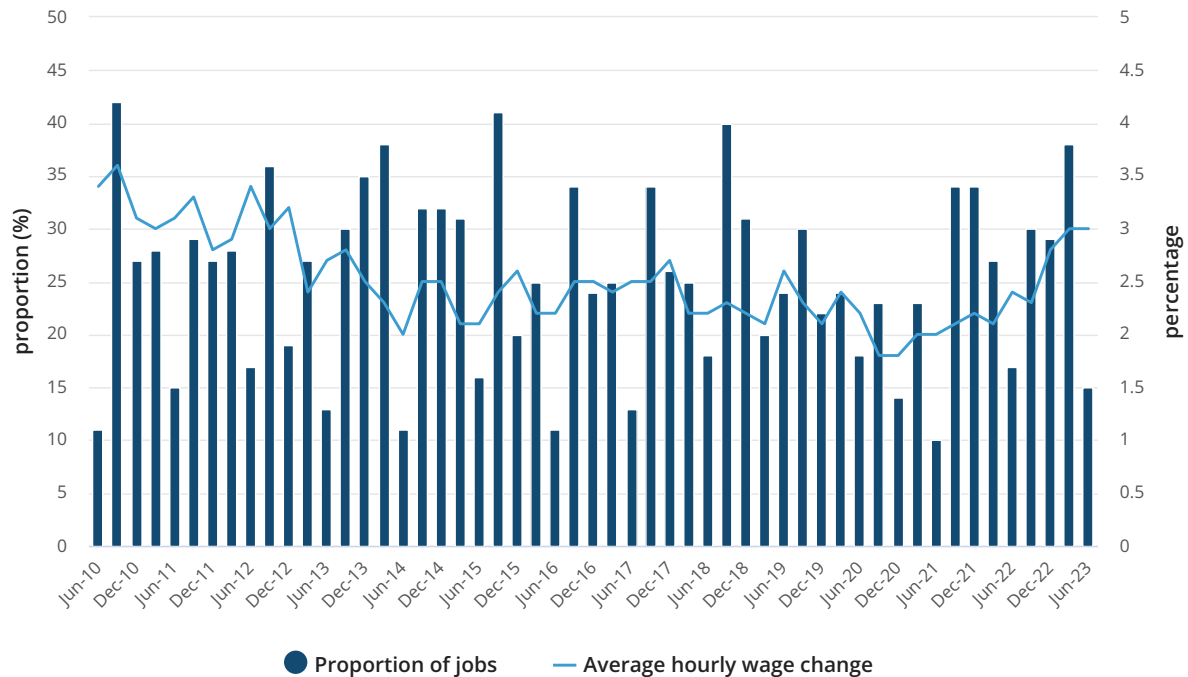


a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Public sector

In the public sector, the average hourly wage change for those jobs receiving a pay rise was 3.0%, in line with March quarter 2023 and notably higher than June 2022 (2.4%). The higher average hourly wage change compared with June quarter 2022 was due to scheduled increases under recently ratified enterprise agreements.

Quarterly wage dynamics in the public sector (a)



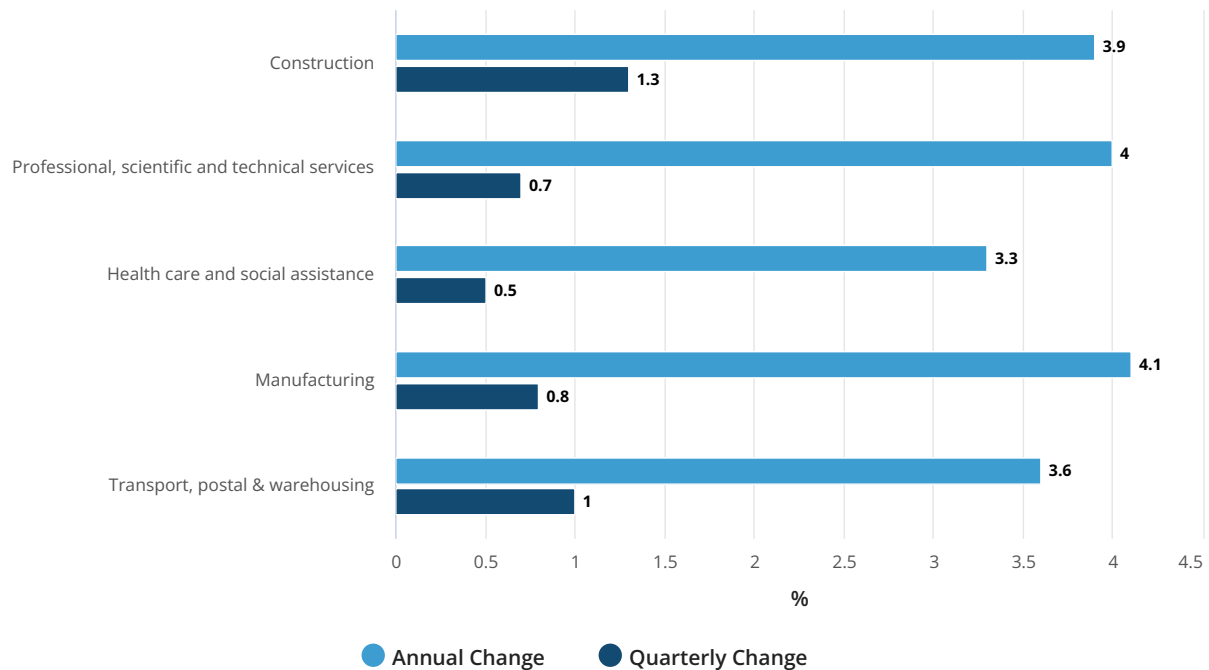
a. Average hourly wage change only includes jobs recording a wage movement in the current quarter.

Industry wage growth

Original estimates:

- Jobs in the Construction (1.3%) and Professional, scientific and technical services (0.7%) industries were the main drivers of wage growth this quarter.
- The Construction industry recorded the highest quarterly growth of 1.3%.
- The Other services industry recorded the lowest quarterly growth (0.3%).
- The Arts and recreation industry recorded the highest annual growth (4.5%).
- The Public administration and safety industry recorded the lowest annual growth (2.8%) across all industries.

Annual and quarterly movement - main contributors (a)(b)



a. Top five industries to the Australia level index, ordered by quarterly contribution to growth.

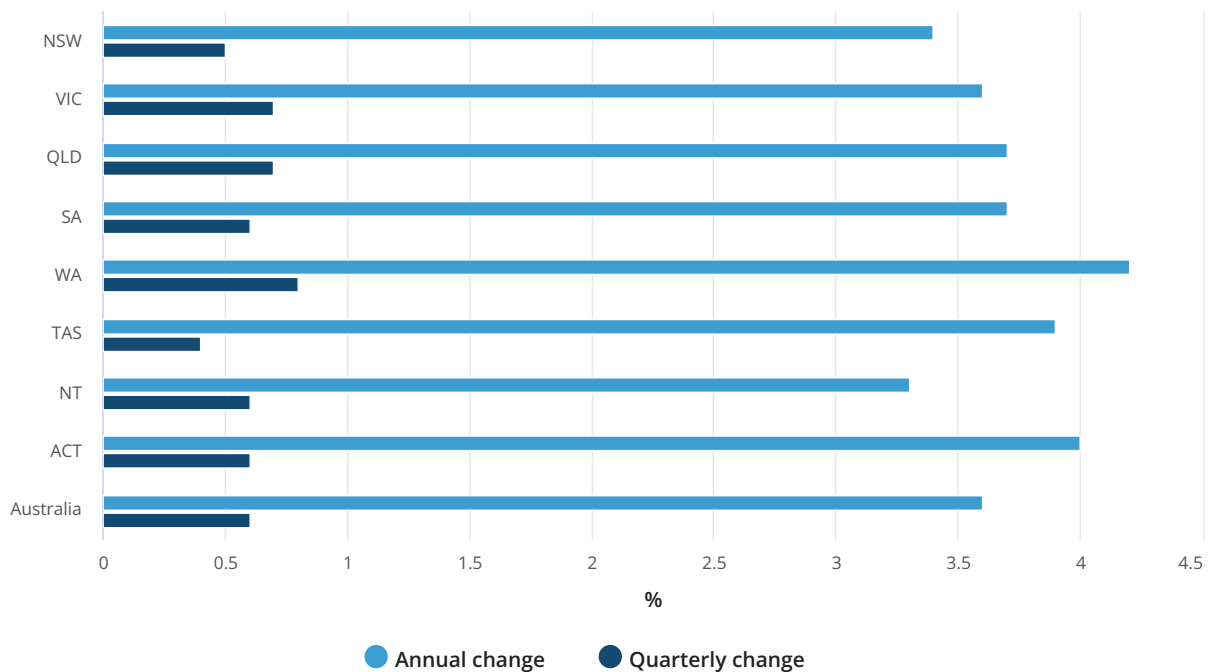
b. Index series is original, total hourly rates of pay excluding bonuses. Annual and quarterly changes for all industries available within Table 5b in [Data downloads \(#data-downloads\)](#).

State and territory wage growth

Original estimates:

- Western Australia had the highest quarterly wage growth at 0.8%, as well as the highest annual wage growth at 4.2%.
- Tasmania recorded the lowest quarterly rate of growth at 0.4%. The Northern Territory recorded the lowest annual rate of growth at 3.3%.

Annual and quarterly movement - states and territories (a)



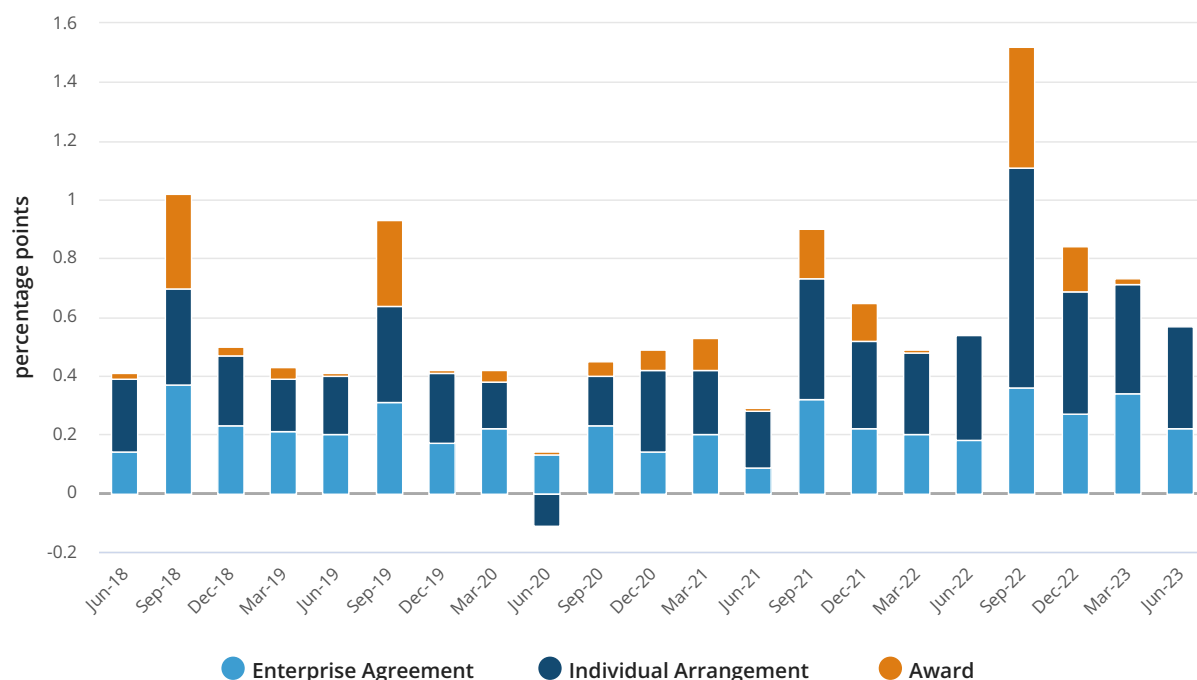
a. Index series is original, total hourly rates of pay excluding bonuses.

Analytical series: Wage growth by method of setting pay

The “Contributions to wage growth by method of setting pay” analytical series provides insights into wage growth by individual arrangement, enterprise agreement and award and their relative contributions to overall wages growth.

Wage movement and overall contribution of award jobs is heavily influenced by the size and timing of the Fair Work Commission Annual Wage Review, which sets increases for jobs under modern award. Increases for these jobs is most common in a September quarter. However, staggered implementation disrupted usual contribution to growth patterns through 2020, 2021 and 2022.

Contributions to wage growth by method of setting pay (a)



a. Analytical series is original, total hourly rates of pay excluding bonuses.

Survey impacts and changes

Seasonal adjustment and trend

In June 2020, due to the large and unusual impact of COVID-19 on the economy, the private and All Sector series of the Wage Price Index were moved to the “forward factors” method for seasonal adjustment. This method (as described in the article on [Methods changes due to COVID-19 \(/articles/methods-changes-during-covid-19-period#abs-trend-and-seasonal-adjustment-during-covid-19\)](#)) is better suited in an uncertain environment as the seasonal factors are fixed for a 12 month period. The public sector series remained using the “concurrent” adjustment method, as the disruption was not observed in this sector. The trend estimates were suspended for all series at this time.

The ABS completed their annual review of seasonal adjustment in the WPI in June 2022 and

as a result reverted all series to “concurrent” adjustment, as the series had stabilised. The ABS also reinstated the trend estimates for all series in the WPI in June 2022.

Data downloads

I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

Time series spreadsheets

⬇ Download all (1.13 MB)

Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

⬇ [Download XLSX](#)
[63.14 KB]

Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

⬇ [Download XLSX](#)
[51.34 KB]

Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

⬇ [Download XLSX](#)
[64.88 KB]

Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

⬇ [Download XLSX](#)
[51.35 KB]

Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

⬇ [Download XLSX](#)
[64.88 KB]

Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

[!\[\]\(a3ea015cc5581cad732d1eb81613fe7b_img.jpg\) Download XLSX](#)

[51.41 KB]

Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

[!\[\]\(666e09182d4cd268646ea700ea60dcdf_img.jpg\) Download XLSX](#)

[65.37 KB]

Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

[!\[\]\(e3f8612927870f2e0f9f5989e6dd3064_img.jpg\) Download XLSX](#)

[74.41 KB]

Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[!\[\]\(faf942dc3e59ce8eb64b4ac481eca7e0_img.jpg\) Download XLSX](#)

[138.57 KB]

Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

[!\[\]\(4b7a79268f6ba26c1471d4232fffa85a_img.jpg\) Download XLSX](#)

[49.22 KB]

Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

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[58.05 KB]

Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

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[51.37 KB]

Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

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[64.9 KB]

Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

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[74.35 KB]

Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

[!\[\]\(241407ae374027aec4b030ca93d07b05_img.jpg\) Download XLSX](#)

[138.57 KB]

All WPI series: original (quarterly index numbers)

↓ [Download XLSX](#)

[130.37 KB]

All WPI Series: original (financial year index numbers for year ended June quarter)

↓ [Download XLSX](#)

[85.17 KB]

Data cubes - Distribution of expenditure on wages, wage price index, Australia

↓ [Download XLSX](#)

[162.01 KB]

Create your own tables and visualisations with Data Explorer

Caution: Data in Data Explorer is currently released after the 11:30am release on the ABS website. Please check the reference period when using Data Explorer.

Wage Price Index ([https://explore.data.abs.gov.au/vis?fs\[0\]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df\[ds\]=ABS_ABS_TOPICS&df\[id\]=WPI&df\[ag\]=ABS&df\[vs\]=1.2.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly\[cl\]=MEASURE&ly\[rw\]=TIME_PERIOD&ly\[rs\]=TSEST%2CSECTOR\)](https://explore.data.abs.gov.au/vis?fs[0]=ABS%20Topics%2C1%7CECONOMY%23ECONOMY%23%7CPrice%20Indexes%20and%20Inflation%23PRICE_INDEX_INFLATION%23&pg=0&fc=ABS%20Topics&df[ds]=ABS_ABS_TOPICS&df[id]=WPI&df[ag]=ABS&df[vs]=1.2.0&pd=2020-Q1%2C2021-Q2&dq=.THRPEB..TOT..AUS.Q&ly[cl]=MEASURE&ly[rw]=TIME_PERIOD&ly[rs]=TSEST%2CSECTOR))

For information on Data Explorer and how it works, see the [Data Explorer user guide \(/about/data-services/data-explorer/data-explorer-user-guide\)](/about/data-services/data-explorer/data-explorer-user-guide).

Previous catalogue number

This release previously used catalogue number 6345.0.

Using price indexes

Price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take

account of changes in categories of prices (Indexation Clauses).

[Use of Price Indexes in Contracts \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts) sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

Frequently asked questions

The [Wage Price Index FAQs \(https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs\)](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Wage+Price+Indexes+FAQs) page has answers to a number of common questions to do with price indexes and the Wage Price Index, in particular.

Methodology

[Wage Price Index, Australia methodology, June 2023](#)